



**BRITISH COLUMBIA CORPORATION TAX CALCULATION  
(2009 and later tax years)**

Name of corporation	Business Number	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Tax year-end</td> <td style="text-align: center;">Year</td> <td style="text-align: center;">Month</td> <td style="text-align: center;">Day</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> </tr> </table>	Tax year-end	Year	Month	Day				
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- Use this schedule if your corporation had a permanent establishment (as defined in section 400 of the federal *Income Tax Regulations*) in British Columbia and had taxable income earned in the year in British Columbia.
- This schedule is a worksheet only. You do not have to file it with your *T2 Corporation Income Tax Return*.

**Part 1 – Calculation of income subject to British Columbia lower and higher tax rates**

**Period before January 1, 2010**

If there are days in the tax year in the period mentioned above, calculate the income subject to British Columbia lower and higher tax rates as follows:

Taxable income for British Columbia \* ..... A1

**Income eligible for British Columbia lower tax rate:**

Amount from line 400 of the T2 return \*\* ..... B1  
 Amount from line 405 of the T2 return ..... C1  
 Amount from line 425  
 of the T2 return ..... ×  $\frac{400,000}{\text{line 4 on page 4 of the T2 return}}$  = ..... D1  
 Amount B1, C1, or D1, whichever is the least ..... E1

For credit unions only:

Amount from line D of Schedule 17, *Credit Union Deductions* .....  
**Deduct:** amount E1 above .....  
 Excess (if negative, enter "0") ..... F1

Total (add amounts E1 and F1) ..... G1

Amount G1 ..... ×  $\frac{\text{taxable income for British Columbia}^*}{\text{taxable income for all provinces}^{***}}$  = ..... H1

**Income subject to British Columbia higher tax rate** (amount A1 minus amount H1) ..... I1

Enter amount H1 and/or amount I1 on the applicable line(s) in Part 3.

**Period after December 31, 2009**

If there are days in the tax year in the period mentioned above, calculate the income subject to British Columbia lower and higher tax rates as follows:

Taxable income for British Columbia \* ..... A2

**Income eligible for British Columbia lower tax rate:**

Amount from line 400 of the T2 return ..... B2  
 Amount from line 405 of the T2 return ..... C2  
 Amount from line 425  
 of the T2 return ..... ×  $\frac{500,000}{\text{line 4 on page 4 of the T2 return}}$  = ..... D2  
 Amount B2, C2, or D2, whichever is the least ..... E2

For credit unions only:

Amount from line D of Schedule 17, *Credit Union Deductions* .....  
**Deduct:** amount E2 above .....  
 Excess (if negative, enter "0") ..... F2

Total (add amounts E2 and F2) ..... G2

Amount G2 ..... ×  $\frac{\text{taxable income for British Columbia}^*}{\text{taxable income for all provinces}^{***}}$  = ..... H2

**Income subject to British Columbia higher tax rate** (amount A2 minus amount H2) ..... I2

Enter amount H2 and/or amount I2 on the applicable line(s) in Part 3.

\* If the corporation has a permanent establishment only in British Columbia, enter the taxable income from line 360 of the T2 return. Or, if the corporation has a permanent establishment in more than one jurisdiction, enter the taxable income allocated to British Columbia from column F in Part 1 of Schedule 5, *Tax Calculation Supplementary – Corporations*. Starting in 2009, if the corporation has income or loss from an international banking center, the taxable income is the amount allocated to British Columbia from column F in Part 1 of Schedule 5 **minus** the total amount not required to be included, or **plus** the total amount not allowed to be deducted, in computing the corporation's income under section 33.1 of the federal *Income Tax Act*.

\*\* If the corporation is a member of a partnership, complete Part 2 to calculate income from active business.

\*\*\* Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

**Part 2 – Calculation of income from active business when there is partnership income**

Complete this part only if the amount on line 450 of Schedule 7, *Calculation of Aggregate Investment Income and Active Business Income*, is positive.

**Period before January 1, 2010**

If there are days in the tax year in the period mentioned above, calculate the income from active business as follows:

Amount RR from Part 5 of Schedule 7 ..... J1

**Deduct partnership income:**

Amount II from Part 4 of Schedule 7 ..... K1

L1	M1	N1	O1
Amounts from column E in Part 3 of Schedule 7	Amounts from column G in Part 3 of Schedule 7 multiplied by 400,000 500,000	Column L1 <b>minus</b> column M1 (if negative, enter "0")	Amounts from column L1 or M1, whichever is less (if column L1 is negative, enter "0")
1.			
2.			
3.			
<b>Totals</b>		P1	Q1

Amount on line 370 from Part 3 of Schedule 7 .. R1

Amount on line 380 from Part 3 of Schedule 7 .. S1

Subtotal (amount R1 **plus** amount S1) ..... T1

Enter amount P1 or amount T1, whichever is less ..... U1

Specified partnership income (amount Q1 **plus** amount U1) ..... V1

Partnership income (amount K1 **minus** amount V1) ..... W1

**Income from active business in this period** (amount J1 **minus** amount W1) ..... X1

Enter the amount from line X1 on line B1 in Part 1.

**Part 3 – Calculation of British Columbia tax before credits**

**British Columbia tax at the lower rate:**

Amount H1 ..... ×  $\frac{\text{Number of days in the tax year before July 1, 2008}}{\text{Number of days in the tax year}}$  × 4.5% = ... AA

Amount H1 ..... ×  $\frac{\text{Number of days in the tax year after June 30, 2008, and before December 1, 2008}}{\text{Number of days in the tax year}}$  × 3.5% = ... BB

Amount H1 ..... ×  $\frac{\text{Number of days in the tax year after November 30, 2008, and before January 1, 2010}}{\text{Number of days in the tax year}}$  × 2.5% = ... CC

Amount H2 ..... ×  $\frac{\text{Number of days in the tax year after December 31, 2009}}{\text{Number of days in the tax year}}$  × 2.5% = ... DD

Total British Columbia tax at the lower rate (total of amounts AA to DD) ..... EE

**Part 3 – Calculation of British Columbia tax before credits (continued)**

**British Columbia tax at the higher rate:**

Amount I1 _____	×	$\frac{\text{Number of days in the tax year before July 1, 2008}}{\text{Number of days in the tax year}}$	_____	×	12% = ... _____	FF
Amount I1 _____	×	$\frac{\text{Number of days in the tax year after June 30, 2008, and before January 1, 2010}}{\text{Number of days in the tax year}}$	_____	×	11% = ... _____	GG
Amount I2 _____	×	$\frac{\text{Number of days in the tax year after December 31, 2009, and before January 1, 2011}}{\text{Number of days in the tax year}}$	_____	×	10.5% = .. _____	HH
Amount I2 _____	×	$\frac{\text{Number of days in the tax year after December 31, 2010}}{\text{Number of days in the tax year}}$	_____	×	10% = ... _____	II

Total British Columbia tax at the higher rate (total of amounts FF to II) .....                      JJ

**British Columbia tax before credits\*** (amount EE plus amount JJ) .....                      KK

\* If the corporation has a permanent establishment in more than one jurisdiction or is claiming a British Columbia tax credit, enter amount KK on line 240 of Schedule 5. Otherwise, enter it on line 760 of the T2 return.